

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2485 - SB 2508

February 1, 2010

SUMMARY OF BILL: Authorizes TRICOR to sell as surplus property TRICOR equipment and raw materials to businesses, government, non-profit organizations, or by public auction.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$6,000/TRICOR

Assumptions:

- According to the Department of General Services (DGS), the total revenue generated for TRICOR surplus sales for the last two years was \$8,531 for 52 individual line items. When items are sold for less than \$500 by DGS for other agencies, DGC retains the revenue generated. For items over \$500, DGS and the releasing agency split the revenue generated. The releasing agency retains 85 percent and DGS retains the remaining 15 percent. Only two of the 52 items sold were over \$500. TRICOR received \$2,108 of \$2,480 for items sold over \$500. TRICOR will continue to use DGS to sell surplus property except in circumstances that are time sensitive or limited to a specific market.
- TRICOR will be able to dispose of raw materials, such as fabric for uniforms, immediately when the need exists rather than using the existing DGS procedure. As a result, TRICOR estimates generating additional revenue from the sale of raw materials of \$6,000 to \$10,000 annually.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/lsc